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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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In the Matter of)	Ministra
Petition for Declaratory Ruling) RM-8181	
by the Inmate Calling Services)	
Providers Task Force)	

OPPOSITION

MCI Telecommunications Corporation (MCI) hereby opposes the Petition for Waiver (Petition) filed by Pacific Bell and Nevada Bell (Pacific) in which Pacific is seeking waiver of the Commission's <u>Declaratory Ruling</u>¹ deregulating inmate-only payphone equipment.

As demonstrated below, Pacific's Petition is without merit and, therefore, must be denied.

Pacific argues that compliance with the Commission's <u>Declaratory Ruling</u> will not be in the public interest in light of the Telecommunications Act of 1996 (the Act). Specifically, it contends that the <u>Declaratory Ruling</u> is inconsistent with the Act which requires that the FCC conduct a comprehensive payphone rulemaking that will address regulations concerning inmate telephone service.

Pacific also argues that the <u>Declaratory Ruling</u> is contrary to the Act because it requires carriers to file revisions to their Cost Allocation Manuals on or about July 3, 1996, and the Act states that the Commission shall permit carriers to file cost allocation manuals annually. Pacific thus contends that the Commission's <u>Declaratory Ruling</u> needs to be revised to be consistent with the requirement of the Act regarding annual CAM filings.

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¹ In the Matter of Petition for Declaratory Ruling by the Inmate Calling Services Providers Task Force, Declaratory Ruling, RM-8181 (rel. February 20, 1996). (Declaratory Ruling).

The Commission may grant waivers when there are special circumstances that warrant a deviation from the general rule; a waiver will not undermine Commission policy; and it will serve the public interest.² Pacific has not demonstrated any special circumstances that would justify a grant of waiver here. Clearly, passage of the Act is inadequate grounds because the Commission's <u>Declaratory Ruling</u> was released after its enactment. Moreover, a grant of waiver would not serve the public interest because it would allow local exchange carriers to continue to subsidize inmate payphone equipment with charges imposed on ratepayers, to the detriment of ratepayers and competitive providers of inmate services. Accordingly, the Petition must be denied.

If, however, the Commission were to grant the waiver, it should direct that Pacific keep track of its inmate payphone investment and related expenses from September 2, 1996, until it is reclassified as a nonregulated activity, and refund such amounts to interstate ratepayers.

² See, Wait Radio v. FCC, 418 F.2d 1153 (D.C. Cir. 1969).

Based on the foregoing, MCI respectfully requests that the Commission deny the Petition or issue an order as discussed herein.

Respectfully submitted,

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Dated: April 1, 1996

CERTIFICATE OF SERVICE

I, Vernell V. Garey, do hereby certify that copies of the foregoing "OPPOSITION" in File No. RM-8181 were mailed first-class, postage-prepaid, to the following on this 1st day of April, 1996.

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